

SIIC PAREF, a property company specialised in property investment and management on behalf of third parties, announces revenues of €17.4 million for the first nine months of the year, compared with €16.8 million for the year to 30 September 2013. The quarter was marked by the strengthened financial position (refinancing of Croissy-Beaubourg and Dax), the continued development of the property portfolio, due primarily to SCPI Novapierre Germany which confirmed its success, and the selective disposals made by the fully-consolidated SCPI Interpierre, Bagneux in particular.

1 – Property assets and Group debt

1.1 Property portfolio

The following changes have affected the consolidated property portfolio since 30 June:

- Disposal by Interpierre, a subsidiary of Peref, of one third of the Chenevière-sur-Marne building for a total price of €800 K;
- Disposal by Interpierre of the Bagneux building for a total price of €2,100 K.

The value of the Group's property portfolio, based on the appraised values of buildings at 30 June 2014, totalled €176 million at the end of September 2014, compared with €173 million at the end of December 2013. This figure includes SCPI and OPCI shares valued at €12.0 million (based on share prices at 30 September).

The increase in the value of the property portfolio is primarily due to the acquisition of the Levallois building, which offsets the disposal of Peref's buildings La Courneuve (€12.2 million), Fontenay-le Fleury (€3.9 million), Saint Maurice and Clichy (€0.5 million) and those of the fully consolidated Interpierre, Chennevières-sur-Marne (€0.8 million) and Bagneux (€2.1 million).

1.2 Financial debt

Total Group financial debt was €78.6 million at 30 September 2014, compared with €78.0 million at 30 June 2014. The €4 million refinancing of the Croissy-Beaubourg building was offset by loan amortisation. Furthermore, a binding agreement was reached for the refinancing of the Dax assets through a property lease agreement that will be implemented before 31 January 2015.

Including escrow accounts of €1.2 million and cash and cash equivalents of €10.6 million, the consolidated net financial debt was €69.8 million.

The LTV ratio (net financial debt to property portfolio value), including the share of the "Gaïa" building owned by Wep Watford, an equity-accounted company, was 44.4%, compared with 40.5% at the beginning of the year. The Group complied with its covenants at 30 September 2014. The only covenants applying to the Group as a whole concern the Levallois loan and anticipate a maximum consolidated LTV of 55%.

¹Unaudited figures

2 Assets under management

Over the first nine months of the 2014 financial year, variable-capital SCPIs managed by PAREF GESTION (Pierre 48, Novapierre 1, Novapierre Germany and Interpierre France), primarily Novapierre Germany, raised €42 million.

The assets managed by the Group at 30 September 2014 may be analysed as follows:

ASSETS MANAGED BY PAREF GROUP

| Capital under management | 30 Sept. 14 | | 31 Dec. 13 | | Change | |
|---|----------------|----------------|----------------|----------------|--------------|--------------|
| | m2 | €K | m2 | €K | m2 | €K |
| Paref Group (1) | 209,065 | 176,093 | 228,581 | 173,228 | -8.5% | 1.7% |
| Interpierre France | 50,498 | 29,142 | 53,897 | 28,189 | -6.3% | 3.4% |
| Novapierre 1 | 50,602 | 152,127 | 52,102 | 151,265 | -2.9% | 0.6% |
| Pierre 48 | 52,520 | 305,202 | 52,694 | 305,374 | -0.3% | -0.1% |
| Capiforce Pierre | 22,946 | 50,566 | 26,835 | 45,970 | -14.5% | 10.0% |
| Novapierre Germany | 12,525 | 32,886 | | | | |
| Total SCPI (2) | 189,091 | 569,922 | 185,528 | 530,798 | 1.9% | 7.4% |
| Vivapierre (1) | 53,833 | 114,575 | 53,833 | 120,350 | 0.0% | -4.8% |
| Total OPCI | 53,833 | 114,575 | 53,833 | 120,350 | 0.0% | -4.8% |
| Tiers | 11,155 | 31,546 | 11,155 | 31,546 | 0.0% | 0.0% |
| Usufructs (3) | (14,477) | | (14,477) | | | |
| Interpierre (4) | (50,498) | (29,142) | (53,897) | (28,189) | | |
| Vivapierre and other SCPI (4) | | (11,487) | | (12,430) | | |
| Grand Total | 398,169 | 851,507 | 410,723 | 815,302 | -3.1% | 4.4% |
| Of which management on behalf of third parties: | 254,079 | 716,043 | 250,516 | 682,693 | 1.4% | 4.9% |

(1) appraised value of assets at the balance sheet date including 50% of Wep Watford

(2) capitalisation at the balance sheet date based on share issue price at that date

(3) floor areas counted both by Pierre 48 (bare owner) and Paref or third party under management (usufruct)

(4) value counted both by Paref Group (consolidated data) and the SCPIs or OPCIs managed by the Group

2. – Revenues

Revenues for the third quarter of 2014 were €5.8 million, compared with €5.7 million for the same period of 2013.

Cumulative revenues for the first 9 months of the 2014 financial year totalled €17.4 million, an increase of 3.6% compared with the first 9 months of 2013.

| Revenues (€ millions) | Q3 2014 | Q3 2013 | Year to 30/09/14 (9 months) | Year to 30/09/13 (9 months) | % change |
|-----------------------------------|------------|------------|-----------------------------|-----------------------------|-------------|
| Rent and costs recovered | 4.3 | 4.2 | 12.6 | 12.7 | -1.1% |
| residential | 0.5 | 0.5 | 1.4 | 1.4 | 1.4% |
| commercial | 3.8 | 3.8 | 11.1 | 11.3 | -1.4% |
| Management fees | 1.6 | 1.5 | 4.8 | 4.1 | 18.1% |
| IFRS consolidated revenues | 5.8 | 5.7 | 17.4 | 16.8 | 3.6% |

2.1 – Rental income stability

Rent and costs recovered for the year to 30 September 2014 totalled €12.6 million, compared with €12.7 million over the same period of the previous year, a decline of €0.1 million. This change was due to:

- The acquisition of the Levallois building, with a positive impact of €1.1 million;
- The disposal of the La Courneuve, Rueil Malmaison and Fontenay buildings, with a negative impact of €1.1 million;
- Tenants moving in and out had a negative impact of €0.2 million;
- Other causes, including in particular rent indexing, the recovery of costs and rent renegotiations, had a positive impact of €0.1 million.

On a constant group structure basis, excluding acquisitions and disposals, rental income declined by €0.1 million.

The occupancy rate at the end of September was 93.6%, compared with 91.6% at 30 June excluding Gaïa (84.5% vs. 82.6% including Gaïa).

2.2 – Management on behalf of third parties: increase in subscription fees and recurring management fees.

Recurring SCPI management fees (fees from assets under management) continued to rise, reaching €2.1 million (€1.8 million for the year to 30 September 2013) as a result of growth in managed assets (€716 million at 30 September 2014, compared with €683 million at 31 December 2013 – see above).

Subscription fees (excluding Interpierre France, a consolidated entity) represented €2.3 million (including €1.6 million from Novapierre Germany), compared with €1.8 million for the same period of 2013.

OPCI management fees totalled €0.4 million, unchanged from the same period of 2013.

3 – Share capital ownership

At 30 September 2014, the share capital ownership was distributed as follows :

| Name | Position at 30 September 2014 | | | | Position at 31 December 2013 | | | |
|--|-------------------------------|-----------------|-------------------------|-----------------|------------------------------|-----------------|-------------------------|-----------------|
| | Number of shares | % share capital | Number of voting rights | % voting rights | Number of shares | % share capital | Number of voting rights | % voting rights |
| Anjou Saint Honoré | 245,533 | 20.31% | 491,066 | 20.31% | 245,533 | 20.31% | 403,566 | 22.39% |
| Parfond | 131,821 | 10.91% | 263,642 | 10.91% | 131,821 | 10.91% | 263,642 | 14.62% |
| SCI TRIELLE | 22,767 | 1.88% | 45,534 | 1.88% | 22,767 | 1.88% | 45,534 | 2.53% |
| Hubert Lévy-Lambert | 750 | 0.06% | 1,500 | 0.06% | 750 | 0.06% | 1,500 | 0.08% |
| Guillaume Lévy-Lambert | 5,334 | 0.44% | 10,668 | 0.44% | 5,334 | 0.44% | 10,668 | 0.59% |
| Lévy-Lambert Family | 406,205 | 33.61% | 812,410 | 42.31% | 406,205 | 33.61% | 724,910 | 40.21% |
| Gesco SA | 110,598 | 9.15% | 216,214 | 9.15% | 110,598 | 9.15% | 218,705 | 12.13% |
| SL UN | 19,056 | 1.58% | 38,112 | 1.58% | 19,056 | 1.58% | 35,942 | 1.99% |
| Madar | 11,743 | 0.97% | 23,486 | 0.97% | 11,743 | 0.97% | 23,486 | 1.30% |
| Jean Louis Charon | 6,666 | 0.55% | 13,332 | 0.55% | 6,666 | 0.55% | 13,332 | 0.74% |
| Picard SAS | 2,120 | 0.18% | 4,240 | 0.18% | 2,120 | 0.18% | 4,240 | 0.24% |
| MO 1 | 133,170 | 11.02% | 266,340 | 11.02% | 133,170 | 11.02% | 233,960 | 12.98% |
| Other signatories to the shareholders' agreement | 283,353 | 23.44% | 561,724 | 29.26% | 283,353 | 23.44% | 529,665 | 29.38% |
| Total shareholders' agreement | 689,558 | 57.05% | 1,374,134 | 71.57% | 689,558 | 57.05% | 1,254,575 | 69.59% |
| Orfim | 60,896 | 5.04% | 60,896 | 5.04% | 60,896 | 5.04% | 60,896 | 3.38% |
| Paref | 18,470 | 1.53% | | 1.53% | 18,799 | 1.56% | | 0.00% |
| Other shareholders | 439,779 | 36.38% | 485,007 | 36.38% | 439,450 | 36.36% | 487,257 | 27.03% |
| Total non-shareholders' agreement | 519,145 | 42.95% | 545,903 | 42.95% | 519,145 | 42.95% | 548,153 | 30.41% |

| | | | | | | | | |
|-------------|-----------|---------|-----------|---------|-----------|---------|-----------|---------|
| Grand total | 1,208,703 | 100.00% | 1,920,037 | 100.00% | 1,208,703 | 100.00% | 1,802,728 | 100.00% |
|-------------|-----------|---------|-----------|---------|-----------|---------|-----------|---------|

4 – Outlook

Investment

Paref is continuing its policy of trading up its property assets. Acquisitions are being examined as co-investments via vehicles such as Polybail (Levallois building) in order to increase the size of managed assets. The assets targeted mainly include high quality office buildings located within the inner suburbs of Paris, similar to the assets acquired in the first half-year in Levallois. Minority investments in “general public” vehicles launched by Paref Gestion, such as Novapierre Germany, are also being considered, depending on the circumstances.

At the same time, the selective disposal programme will be continued in relation to certain assets located in the outer suburbs as opportunities arise (sale to users or developers).

Management on behalf of third parties: continued growth

- On the back of the successful launch of Novapierre Germany, the Group will expand its SCPI portfolio by focusing on innovation. Various projects are under consideration.
- The Group will also seek out opportunities to create professional OPCIs, both as part of its indirect investment policy and as a mere service provider, and should benefit from the strengthening of its sales teams.

*PAREF shares have been listed on Compartment C of the NYSE Euronext Paris Stock Exchange since December 2005
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